

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In re:)
)
Temporary Exemption for)
Certain Investment Advisers)
)
_____)

Docket No. 12E021

**Special Order Granting Temporary Exemption
for Certain Investment Advisers**

WHEREAS, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) made significant changes to the federal regulation of investment advisers; and

WHEREAS, the Dodd-Frank Act repealed section 203(b)(3) of the Investment Advisers Act of 1940, effective July 21, 2011; and

WHEREAS, section 203(b)(3) was relied upon by advisers to private funds and other investment advisers because it granted an exemption from federal registration to investment advisers with fewer than fifteen clients; and

WHEREAS, Kansas law has no equivalent to former section 203(b)(3), but staff for the Office of the Securities Commissioner issued Interpretive Opinion No. 2009-003 on November 4, 2008 indicating that investment advisers to private funds in excess of \$25 million were not required to register at the state level if they were exempt from federal registration under 203(b)(3); and

WHEREAS, the Securities and Exchange Commission adopted Rule 203-1(e), which gives advisers who formerly relied on section 203(b)(3) until March 30, 2012 to satisfy the new registration requirements or qualify for a different exemption; and

WHEREAS, K.S.A. 17-12a403(b)(3) and 17-12a404(b)(2) grant the Securities Commissioner the authority to issue special orders to create exemptions from the registration requirements for investment advisers and investment adviser representatives; and

WHEREAS, staff for the Office of the Securities Commissioner have recommended that an exemption consistent with former section 203(b)(3), SEC Rule 203-1(e) and Special Order 12E001 issued on July 19, 2011 should be extended for purposes of compliance under the Kansas Uniform Securities Act;

IT IS, THEREFORE, ORDERED BY THE COMMISSIONER that an investment adviser who was or would be exempt from registration with the Securities and Exchange Commission based upon provisions of former section 203(b)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(b)(3)) in effect on or before July 20, 2011, is exempt from registration with the Office of the Securities Commissioner under K.S.A. 17-12a403 until such time as the Commissioner adopts final rules on the regulation of investment advisers subject to this Order, provided that the investment adviser (1) has had fewer than fifteen clients during the course of the preceding twelve months, (2) will continue to have fewer than fifteen clients and (3) has neither held itself out and will not hold itself out generally to the public as an investment adviser nor acted and will not act as an investment adviser to any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a) or a company which has elected (and not withdrawn its election) to be a business development company pursuant to section 54 of that Act (15 U.S.C. 80a-54).

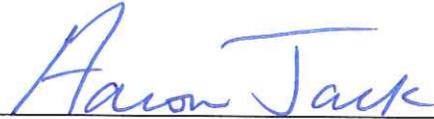
IT IS FURTHER ORDERED that an investment adviser representative is exempt from the registration requirements of K.S.A. 17-12a404 if he or she is employed by or associated with an investment adviser that is exempt from registration in this state pursuant to this Order.

IT IS FURTHER ORDERED that this Order supersedes Interpretive Opinion No. 2009-003, in re: MLP Co-Investment Opportunity Fund, L.P., issued on November 4, 2008, and Special Order 12E001, issued on July 19, 2011.

IT IS FURTHER ORDERED that this Order shall be effective on March 30, 2012, and shall be automatically vacated upon the adoption of permanent regulations.

IT IS SO ORDERED.

Entered at Topeka, Kansas, on this 29th day of March, 2012.



Aaron Jack
Securities Commissioner